

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1163 - SB 1884

March 3, 2009

SUMMARY OF BILL: Authorizes additional supplemental bridge grants of \$750 for each the fall and spring semesters of the 2009-2010 academic year for HOPE Scholarship students attending eligible four-year institutions; HOPE Scholarship students attending eligible two-year institutions shall be awarded supplemental bridge grants of \$350 for each the spring and fall semesters of the 2009-2010 academic year; students attending eligible postsecondary institutions who receive the Tennessee HOPE Access Grant shall be awarded supplemental bridge grants at 50 percent of the amount awarded for being a HOPE Scholarship recipient. Requires all unexpended funds in the Energy Efficient Schools Council Fund as of the effective date of this bill to be transferred to the Lottery for Education Account for the purpose of funding the supplemental bridge grant program.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – This bill requires all unexpended funds in the Energy Efficient Schools Council Fund (EESCF) as of the effective date of this bill to be transferred to the Lottery for Education Account (LFEA) for the purpose of funding supplemental bridge grants. Therefore, a shift of use will occur decreasing the amount of funds available for the Energy Efficient Schools Initiative, while increasing funds available for supplemental bridge grants. It is assumed there will be a sum sufficient in the EESCF for funding supplemental bridge grants up until June 30, 2009. As a result, the one-time transfer of funds from the EESCF to the LFEA is expected to be at least \$82,807,600, but up to a maximum of \$90,000,000. The one-time increase of expenditures from the LFEA for funding supplemental bridge grants is estimated to be \$82,807,600.

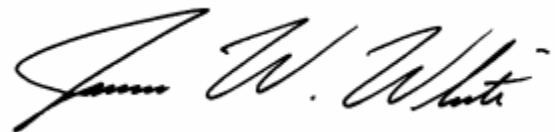
Assumptions:

- According to the Tennessee Student Assistance Corporation (TSAC), there are 8,324 students currently attending eligible two-year institutions and 49,529 students currently attending eligible four-year institutions who receive the HOPE Scholarship, the General Assembly Merit Scholarship, and the need-based ASPIRE award.

- TSAC projects three percent growth for FY09-10.
- The number of HOPE students projected to attend eligible two-year institutions for FY09-10 is 8,574 ($8,324 \times 103\% = 8,574$); the number of HOPE students projected to attend eligible four-year institutions for FY09-10 is estimated to be 51,015 ($49,529 \times 103\% = 51,015$).
- The increase of expenditures derived from HOPE students attending eligible two-year institutions in FY09-10 is estimated to be \$6,001,800 ($8,574 \times \$700 = \$6,001,800$).
- The increase of expenditures derived from HOPE students attending eligible four-year institutions in FY09-10 is estimated to be \$76,522,500 ($51,015 \times \$1,500 = \$76,522,500$).
- According to TSAC, there are 272 students currently attending eligible two-year institutions and 240 students currently attending eligible four-year institutions who receive the HOPE Access Grant.
- The number of Access Grant students projected to attend eligible two-year institutions in FY09-10 is 280 ($272 \times 103\% = 280$); the number of Access Grant students projected to attend eligible four-year institutions in FY09-10 is estimated to be 247 ($240 \times 103\% = 247$).
- The increase of expenditures derived from Access Grant students attending eligible two-year institutions in FY09-10 is estimated to be \$98,000 ($280 \times \$350 = \$98,000$).
- The increase of expenditures derived from Access Grant students attending eligible four-year institutions in FY09-10 is estimated to be \$185,300 ($247 \times \$750 = \$185,250$).
- Pursuant to Public Acts 2008, Chapter 1203, Section 52, Item 5, an appropriation of \$90,000,000 was made from the Lottery for Education Account to the Energy Efficient Schools Council Fund. It is assumed that at least \$82,807,600 will remain unexpended from the Energy Efficient Schools Council Fund until June 30, 2009.
- The total one-time increase of expenditures from the Lottery for Education Account is estimated to be \$82,807,600 ($\$6,001,800 + \$76,522,500 + \$98,000 + \$185,300 = \$82,807,600$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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